



The fund risk lowers as you age

What are target-date funds?

DCP and Plan 3 investment account customers can choose a target-date fund. This investment option automatically adjusts its investment mix over time based on the date you think you will retire. These funds are called Retirement Strategy Funds and are also the default for those who do not select their own investments.

From the start of your career until your retirement years, target-date funds are designed to make retirement investing easier. A target-date fund typically has a date in its name. This is called the fund's target date. The target date is the assumed year you would retire and begin withdrawing from your account. Each fund is a portfolio managed to help grow your retirement income as you get closer to retirement.

How does a target-date fund work? A target-date fund is a diversified mix of investments that adjust over time. If you're in your early working years, the fund prioritizes growth to build savings. The funds furthest from their target dates start out invested

mostly in stocks to emphasize the growth potential you need to build wealth over the long term. As you move closer to retirement, and eventually into retirement, the fund automatically adjusts to a more conservative mix of investments to help protect against market fluctuations. And it all happens automatically.

Usually customers select a single Retirement Strategy Fund for one-step investing. Every customer has unique retirement goals and these funds are designed to work for you throughout your career. Here's how to find your fund:

Say you're born in 1970 and you plan to retire at age 65.

In this example, your estimated retirement date would be 2035 and you would select the 2035 Retirement Strategy Fund. These funds are spaced five years apart, so you can choose the one closest to the date you'll start withdrawing your retirement.

Target-date funds make retirement saving easier.

Retirement Strategy Funds add TAP to investment portfolio

Coming this Fall, the DRS Retirement Strategy Funds will be enhancing the investment mix by adding the WSIB Total Allocation Portfolio (TAP) as an asset component to the Funds. The WSIB TAP contains a broad set of private market asset classes, a category of investments that individual investors don't typically have access to. Adding TAP to the Retirement Strategy Funds will enhance the overall investment mix and further diversify an already robust portfolio. Diversity is key to maintaining a healthy fund portfolio. Find out more about Retirement Strategy Funds by visiting the [investment section](#) for your plan at drs.wa.gov and view the fund fact sheets.

2021 legislative update



The following pension-related legislation passed in 2021.

SB 5021

Concerning the effect of expenditure reduction efforts on retirement benefits for public employees, including those participating in the shared work program.

Provides that if a retirement plan member is furloughed in the Average Final Salary period of their career, their service credit would be calculated as if they had not been furloughed to protect their accumulated retirement benefit; the bill is curative and necessary to comply with state and federal law and agencies ability to qualify for the federal program and receipt of federal funds for the Shared Work Program.

SB 5296

Modifying the definition of index for the Washington state patrol retirement system.

Removes the reference to Tacoma-Bremerton from the statute that defines the index used to adjust the benefits for retirees of the Washington State Patrol Retirement System.

SB 5367

Directing the department of retirement systems to create rules regarding automatic refunds of retirement contributions in the retirement systems listed in RCW 41.50.030.

Directs DRS to establish rules for eliminating inactive member accounts with a balance of less than \$1,000.



Retiree COLA rates

Cost-of-Living Adjustments (COLAs) for DRS-administered retirement systems and plans that receive a COLA have been established for 2021. LEOFF Plan 1 COLAs took effect April 1 and were reflected in end-of-April benefit payments. For all other plans that are eligible for a COLA, the COLA took effect July 1 and was reflected in end-of-July benefit payments. View the 2021 COLA percentages by retirement date and plan. See [retiree](#) for more information about COLAs.



Contribution Rates changes take effect this summer and fall

Member and employer contribution rates are established every two years. Rates for most retirement plans are approved by the Washington State Pension Funding Council; rates for Plan 2 of the Law Enforcement Officers' and Fire Fighters' (LEOFF) Retirement System Plan 2 are approved by the LEOFF Plan 2 Retirement Board.

For a complete list of contribution rates visit the [DRS website](#).



DRS website redesign

DRS redesigned the website for members and employers.

On the new site you'll find a new navigational tool: Life Stages. Whether you're new to public service, getting married or divorced, or getting ready to retire, you can find a link to the relevant section of your plan guide. We've also refined our search tool and added a robust site index.

We'd love your feedback! Please tell us what you think or how we might improve the site:

drs.communications@drs.wa.gov



DRS recognized for excellence in financial reporting

A certificate for excellence in financial reporting was awarded to DRS, marking 27 years in a row that DRS has received this special recognition. The Government Finance Officers Association (GFOA) issued its latest certificate for the fiscal year ended June 30, 2020.

GFOA represents public finance officials throughout the US and Canada. Its mission is to advance excellence in public finance.

Webinars make plan education easier than ever



Convenience.

These days we could all use more of it. Fortunately, learning about your retirement plan has never been more convenient.

Close to retirement?

Nearing Retirement seminars are now offered as live webinars that you can attend from the comfort of your own home. Can't make it to the live webinar? You can view recorded webinars at any time.

Not ready to retire?

Find out more about the state's retirement savings program, DCP? You can sign up for a live DCP webinar, or view a recorded webinar at any time.

New to employment?

The convenience applies to you as well. You can attend a live Plan Choice webinar or watch a recorded version at the time that suits you.

For more information, visit [DRS webinars](#).



DRS now offers virtual appointments

While the DRS office remains closed to customer visits, you can still have a face-to-face chat with a Retirement Specialist. We recently began offering virtual appointments via Zoom.

If you're 50 or older, haven't retired and prefer an online face-to-face discussion, you can schedule a Zoom appointment by logging into your **online account** and selecting "Schedule Appointment."

If you're under 50, contact us through your **online account** using the "Contact Us" link on the upper right side of the webpage.

Find out more about your retirement plan by attending a free live webinar offered by DRS. You can also view recorded webinars on a variety of topics at any time on the **DRS website**.



The Washington State Department of Retirement Systems publishes *Retirement Outlook* twice a year.

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